

PREPARED BY: Liz Hruska
 DATE PREPARED: February 10, 2015
 PHONE: 471-0053

LB 471

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	271,715		221,715	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	271,715		221,715	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

This bill requires the establishment of a prescription drug monitoring system. The system is to be implemented within twenty-four months after the effective date of the bill. The system shall include the following provisions: 1) prohibits patients from opting out; 2) requires all prescriptions and controlled substances to be entered into the system; 3) allows all prescribers and dispensers to access the system at no cost to the subscriber or dispenser and 4) ensures that the system has information on all payors. The bill states legislative intent to appropriate \$500,000 in FY 16.

The Department of Health and Human Services indicated the cost in FY 16 would be \$271,715 and \$221,715 in FY 17; slightly less than the \$500,000 estimate in the bills. Ongoing costs would be approximately \$100,000. The cost estimated does not include an amount for an interface with the Nebraska Health Information Initiative. Additional information is need to determine that cost.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB:471	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Elton Larson		DATE: 1/30/15	PHONE: 471-4173
COMMENTS: Agency estimate of no fiscal impact appears reasonable.			

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2015

LB⁽¹⁾ 471

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ University of Nebraska

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 27, 2015 Phone: ⁽⁵⁾ 472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 471 on Rx drug monitoring would have no fiscal impact on the University.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Mason

Date Prepared:(4) 2-9-15

Phone: (5) 471-0676

	FY 2015-2016		FY 2016-2017	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$271,715		\$221,715	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$271,715	\$0	\$221,715	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate: Program 033

LB 471 proposes changes in the current statutes pertaining to the prescription drug monitoring program (PDMP) to:

- Prohibit patients from opting out of the program;
- Require all controlled substance prescriptions to be entered into the system;
- Allow all prescribers and dispensers to access the system at no cost to them; and
- Ensure the system includes information relating to all payers, including Medicaid.

The bill also has intent language that states; "it is the intent of the Legislature" to appropriate \$500,000 for FY 2015-16 to carry out these new provisions. The bill does not appropriate any funds. The bill also requires that these changes be implemented within 24 months after the effective date of the bill.

There would also be the cost of an interface or access to Nebraska Health Information Initiative (NeHii) information to the Division of Public Health. The cost of such access or interface is not known. Should additional requirements, reporting, or analysis be requested there would also likely be the cost of a Pharmacy consultant.

Based on fiscal information from the 2014 impact summary, software vendors used by other states for PDMPs indicated a first year cost of \$146,000 which includes a \$50,000 start-up fee and a monthly fee of \$8,000. Based on this information, software costs would be at least \$96,000 for subsequent years. However, these estimates were based on a system having to be maintained by Department of Health Human Service's Division of Public Health. Indirect cost (to cover telephone, printing, office supplies, rent, TSB usage, and equipment) for each year would be \$39,727.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2015-2016	2016-2017
		15-16	16-17	EXPENDITURES	EXPENDITURES
V78791	DHHS Program Manager	1.00	1.00	\$55,083	\$55,083
H74932	Epidemiology Surveillance Coordinator	.20	.20	\$10,950	\$10,950
Benefits.....				\$19,955	\$19,955
Operating.....				\$185,757	\$135,727
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
TOTAL.....				\$271,715	\$221,715

